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SUBJECT: ASIA PACIFIC COMMUNITY CONFERENCE: MEETING IS THE
MESSAGE

Classified By: Political/Economic Counselor Edgard Kagan, for reasons 1
.4 (b),(d)

11. (C/NF) Summary: The December 3-5 track 1.5 conference on Prime Minister Kevin Rudd's proposed Asia Pacific community (APc) concept achieved the limited goal of further discussion on regional institutions. Though ostensibly co-sponsored by the Lowy Institute (an Australian think tank) and the Australian Department of Foreign Affairs and Trade, PM Rudd's influence permeated the event. He gave the opening speech and hosted a reception for the delegates at his official Sydney residence. A Rudd advisor told us the PM was disappointed at the continuing strong opposition by ASEAN countries as well as frustrated that countries such as India and Russia are not more eager to support his initiative. While no consensus emerged on what an APc would look like, participants agreed that a completely new institution was unrealistic. The most commonly voiced ideas included expanding the East Asia Summit (EAS) to include the United States and Russia, or adding security issues to an APEC plus India forum. Some delegates from ASEAN, ever fearful of losing their place in the driver's seat of regional architecture, voiced strong opposition to the APc concept and U.S. and Russian participation in the EAS. EAP Principal Deputy Assistant Secretary Joe Donovan led the U.S. delegation. End Summary.

No New Regional Institution

12. (SBU) The 1.5 track Australia sponsored APc conference held in Sydney December 3-5 achieved Canberra's limited goal of attracting government officials and academics for a further discussion on regional institutions. The Australians set low expectations. When Richard Woolcott, Prime Minister Rudd's Special Envoy for the APc announced the conference in early November he stressed that the goal was not to be prescriptive but to provide an opportunity to have a dialogue and explore as many ideas as possible. From his extensive consultations around the region before the conference, Woolcott had already publically stated that "little appetite for creating new institutions" existed.

13. (SBU) While no consensus emerged on what an APc would look like, participants reaffirmed Woolcott's conclusion that a new institution was unrealistic. Expanding the EAS to include the United States and Russia, or adding security issues to an APEC plus India forum were the most commonly voiced ideas.

14. (C/NF) PM Rudd was satisfied that the conference took place and attracted "decent" representation from the region,

according to Rudd's international policy advisor Scott Dewar.

Rudd remains frustrated at the continuing suspicion from ASEAN countries, though he understands that they resent the implication that ASEAN is part of the problem in Asian architecture. Dewar said the PM is also surprised that countries such as India and Russia have not embraced the proposal.

ASEAN Opposition

15. (SBU) The perennial question of ASEAN's centrality in any regional organization flared up repeatedly during the discussions. Many Southeast Asia participants argued against any diminishment of ASEAN's lead position, despite former ASEAN Secretary General Ong's statement that ASEAN and Southeast Asian states would not stand in the way of a new or QSoutheast Asian states would not stand in the way of a new or reconfigured grouping. When Michael Wesley, head of the conference co-sponsor Lowy Institute, tried to sum up the discussions with a few principles going forward, many Southeast Asian participants vociferously disagreed with his points.

16. (C/NF) Australia is confused by the mixed messages it is hearing from Singapore, according to Scott Dewar, international policy advisor to PM Rudd. Singapore made clear to Australia and others its great discomfort with Japanese PM Hatoyama's proposal of an East Asian Community that might exclude the United States, according to Dewar. However, Singaporean Ambassador at Large Tommy Koh was openly skeptical at the conference of whether the United States

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should be included in a new Asian institution, according to Dewar. He said that more generally, Singapore and Malaysia remain the most skeptical of Rudd's initiative, though insisting that many of their concerns have been assuaged.

U.S. Participation Welcomed

17. (SBU) Most delegates generally welcomed U.S. participation. The government representatives tended to be in listening mode, while a few of the private delegates did express some anti-U.S. sentiment. Conference co-convenor Ton Ni Thi Ninh, a former Vietnamese diplomat, (speaking personally) suggested that neither the United States nor Russia should be part of the EAS because neither country is "Asian." A European delegate (invited to discuss lessons from the European Union, again speaking personally) complained that the United States is the unilateral "guard dog" of the region, and that its role should be limited to the security fora.

18. (SBU) PDAS Donovan strongly told the delegates that the United States has comprehensive interests in the Asia Pacific beyond security to include trade, finance, combating climate change and other transnational issues such as narcotics and human trafficking. He stated the United States wished to work with Asia Pacific nations to shape emerging regional Architecture.

Going Forward?

19. (SBU) In the final session, Lowy Institute's Wesley tried to sum up the conference. He suggested the following points as a rough framework for principles going forward to be sent to Prime Minister Rudd but faced explicit and vocal disagreement from some of the ASEAN delegates.

- Annual leaders meeting to discuss security, economic and political issues
- APC should complement existing institutions, including the G20

- APc should draw on ASEAN, which remains an important part of any regional architecture
- Regional economic decisions should be market driven
- APc dialogue should include traditional and non-traditional security threats
- APc countries should have both a significant interest and a capacity in an issue to participate

110. (U) PDAS Donovan cleared this message.

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